

3	<p>Read the following sentences. Assertion (A) and Reason (R) and choose the correct alternative:</p> <p>Assertion: A fall in saving rates offered by banks decreases money supply with public.</p> <p>Reason: Saving rates or Bank rates are the quantitative credit control measure used by the Central Bank to control the supply of money with the public.</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Both assertion and reason are correct and reason is the Correct explanation of reason Both assertion and reason are correct and reason is not the correct explanation of assertion. Assertion is true but reason is false Assertion is false but reason is true. 	1										
4	<p>Identify the correct pair of formula from the following column I and II. Choose the correct alternative.</p> <table border="1" data-bbox="256 705 1247 1037"> <thead> <tr> <th data-bbox="256 705 751 743">Column A</th> <th data-bbox="760 705 1247 743">Column B</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 743 751 816">A. Current Account Surplus</td> <td data-bbox="760 743 1247 816">i. Receipts < Payments</td> </tr> <tr> <td data-bbox="256 816 751 890">B. Current Account Surplus</td> <td data-bbox="760 816 1247 890">ii. Receipts > Payments</td> </tr> <tr> <td data-bbox="256 890 751 963">C. Balance Current Account</td> <td data-bbox="760 890 1247 963">iii. Receipts = Payments</td> </tr> <tr> <td data-bbox="256 963 751 1037">D. Current Account Deficit</td> <td data-bbox="760 963 1247 1037">iv. Receipts \neq Payments</td> </tr> </tbody> </table> <p>Alternatives:</p> <ol style="list-style-type: none"> A-i B-ii C-iii D-iv 	Column A	Column B	A. Current Account Surplus	i. Receipts < Payments	B. Current Account Surplus	ii. Receipts > Payments	C. Balance Current Account	iii. Receipts = Payments	D. Current Account Deficit	iv. Receipts \neq Payments	1
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5	<p>Identify which of the following statements is true? (Choose the correct alternative)</p> <ol style="list-style-type: none"> The flexible exchange rate system gives the government more flexibility to maintain large stocks of foreign exchange reserves. In the managed floating exchange rate system, the government intervenes to buy and sell foreign currencies. In the managed floating exchange rate system, the Central Bank intervenes to moderate exchange rate fluctuations. In the fixed exchange rate system market forces fix the exchange rate 	1										
6	<p>An Indian real estate company receives rent from Google in New York. The transaction would be recorded on ----- side of ----- account. (Fill up the blanks with correct alternative)</p> <ol style="list-style-type: none"> Credit, current Debit, capital Credit, capital debit, current 	1										

12	<p>State giving valid reasons, whether the following statements are True or false:</p> <p>(i) Current account in Balance of Payments records only the exports and imports of goods and services.</p> <p>(ii) Borrowings from abroad are recorded in the Capital Account of the Balance of Payments on the debit side.</p> <p>Ans i. false, as the current account records unilateral transfers along with export and import of goods and Services</p> <p>ii. false as the borrowing from abroad is recorded in the credit side as it results in the inflow of foreign currency in the economy</p> <p>OR</p> <p>The given statement is refuted as the current account deficit is a broader concept . Current account deficit occurs when the foreign exchange payments on account of visible, invisibles and current transfers are in excess over the receipts of visible, invisibles and current transfers.</p>	3
13	<p>(i) Define money multiplier.</p> <p>(ii) 'Credit creation is inversely related to the reserve deposit ratio'. Justify the given statement using a hypothetical example.</p> <p>Ans- i. It is the process by which the commercial banks create credit, based upon the reserve ratio and initial deposits.</p> <p>ii. reserve deposit ratio is the minimum reserves which a commercial bank must maintain as per the instructions of the central bank. Credit creation = 1/reserve ratio</p> <p>Suppose the reserve ratio is 0.2 and initial deposit is Rs.1000cr.</p> <p>Total credit created=1/reserve ratio\times1000,</p> <p>1/0.2\times1000=2000cr.</p>	1 3
14	<p>.Ans $Y=C+I$ $Y=(200+0.5Y)+400$, $Y-0.5Y=600$, $Y=600/0.5=$</p> <p>Rs.1200cr</p> <p>The equilibrium level of income is Rs.1200 cr. The given income Rs.1500cr. is greater than equilibrium level of income. Therefore the economy is not in equilibrium.</p> <p>OR</p> <p>Ex ante saving is the desired or planned saving during a year</p> <p>Full employment- all available labor resources are used in an efficient way</p>	4

15	<p>Suppose the Gross Domestic Product (GDP) of Nation X was Rs.2000cr.in 2018-19, whereas the Gross Domestic Product (GDP) of Nation Y in the same year was Rs.1,20,000cr. If the GDP of Nation X rises to Rs.4000 cr. In 2019-20 and the GDP of Nation Y rises to Rs.2,00,000cr.in 2019-20. Compare the rate of change of GDP of Nations X and Y taking 2018-19 as base year.</p> <p>Ans- Growth rate of GDP= $\frac{\text{Change in GDP}}{\text{Base year GDP}} \times 100$ OR</p> <p>Domestic services by house wife is not included in the national income as its has no monetary or economic value.It does not add to flow of goods and services/Compensation to victims of cyclone is an example of social welfare its not included in the estimation of national income as its tranfer payment</p>	4
16	<p>“India’s GDP contracted 23.9% in the April-June quarter of 2020-21 as compared to same period of 2019-20, suggesting that the lockdown has hit the economy hard”</p> <p style="text-align: center;">The Hindustan Times, 1st September,2020</p> <p>State and discuss any two fiscal measures that may be taken by the Government of India to correct the situation indicated in the above news report.</p> <p>Ans- The situation suggests that Aggregate demand is less than Aggregate supply. Following two fiscal measures may be taken to control it.</p> <ol style="list-style-type: none"> i. Decrease in taxes- this will increase the purchasing power in the hands of the general public. This may increase the purchasing power in the hands of general public, which may increase the aggregate demand in the economy to bring it equal to the aggregate supply. ii. Increase in government expenditure-This will increase the purchasing power in the hands of general public which will increase the aggregate demand and bring it equal to the aggregate supply 	6

17	<p>(i) Elaborate the objective of allocation of resources in the Government Budget.</p> <p>(ii) Study the graph and comment on it</p> <div data-bbox="477 273 1281 606" data-label="Figure"> <table border="1"> <caption>Data extracted from the graph</caption> <thead> <tr> <th>Fiscal Year</th> <th>Growth Rate of GDP (%)</th> <th>Gross Fiscal Deficit (% of GDP)</th> </tr> </thead> <tbody> <tr><td>2000-01</td><td>4.5</td><td>4.5</td></tr> <tr><td>2001-02</td><td>5.5</td><td>5.5</td></tr> <tr><td>2002-03</td><td>6.5</td><td>5.5</td></tr> <tr><td>2003-04</td><td>6.5</td><td>4.5</td></tr> <tr><td>2004-05</td><td>8.0</td><td>4.5</td></tr> <tr><td>2005-06</td><td>8.0</td><td>4.5</td></tr> <tr><td>2006-07</td><td>8.0</td><td>4.5</td></tr> <tr><td>2007-08</td><td>8.0</td><td>4.5</td></tr> <tr><td>2008-09</td><td>8.0</td><td>3.5</td></tr> <tr><td>2009-10</td><td>7.0</td><td>4.5</td></tr> <tr><td>2010-11</td><td>8.5</td><td>5.5</td></tr> <tr><td>2011-12</td><td>9.0</td><td>6.5</td></tr> <tr><td>2012-13</td><td>7.0</td><td>6.5</td></tr> <tr><td>2013-14</td><td>7.0</td><td>5.5</td></tr> <tr><td>2014-15</td><td>7.5</td><td>5.5</td></tr> <tr><td>2015-16</td><td>8.5</td><td>5.5</td></tr> <tr><td>2016-17</td><td>9.0</td><td>5.5</td></tr> <tr><td>2017-18</td><td>8.5</td><td>5.5</td></tr> <tr><td>2018-19</td><td>8.0</td><td>5.5</td></tr> <tr><td>2019-20</td><td>7.5</td><td>5.5</td></tr> </tbody> </table> </div> <p>i. Balance the goals of all sections of the society, production of goods and services which are injurious to the society must be discouraged, and which are socially beneficial should be encouraged through subsidies. If private sector does not take the initiative the government should take direct control of water supply and sanitation.</p> <p>ii. The graph shows the gross fiscal deficit as the percentage of GDP and growth rate of GDP. As the GDP increases the fiscal deficit is high. This means that the government capital expenditure is greater than government revenue.</p>	Fiscal Year	Growth Rate of GDP (%)	Gross Fiscal Deficit (% of GDP)	2000-01	4.5	4.5	2001-02	5.5	5.5	2002-03	6.5	5.5	2003-04	6.5	4.5	2004-05	8.0	4.5	2005-06	8.0	4.5	2006-07	8.0	4.5	2007-08	8.0	4.5	2008-09	8.0	3.5	2009-10	7.0	4.5	2010-11	8.5	5.5	2011-12	9.0	6.5	2012-13	7.0	6.5	2013-14	7.0	5.5	2014-15	7.5	5.5	2015-16	8.5	5.5	2016-17	9.0	5.5	2017-18	8.5	5.5	2018-19	8.0	5.5	2019-20	7.5	5.5	3+3
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18	<p>Read the following statements 1 and 2 and choose the correct alternative</p> <p>Statement 1: Under economic reforms of privatization the business and production units were given freedom to import capital goods to upgrade their technology.</p> <p>Statement 2 : Under economic reforms of liberalization the need for licensing was abolished.</p> <p>a. Both statements are true c. Only statement 1 is true b. Both statements are false d. Only statement 2 is true</p>	1																																																															

19	<p>Read the following statements- Assertion (A) and Reason (R). Choose one of the correct alternatives given below:</p> <p>Assertion (A) : India became an exporter of primary products and an importer of finished consumer and capital goods produced in Britain.</p> <p>Reason (R) : Restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A). Assertion (A) is true but Reason(R) is false Assertion (A) is false but Reason (R) is true 	1
20	<p>Read the following statements-Assertion (A) and Reason (R).</p> <p>Choose one of the correct alternatives given below:</p> <p>Assertion (A): The major policy initiatives i.e., land reforms and green revolution helped India to become self-sufficient in food grain production.</p> <p>Reason (R): The proportion of people depending on agriculture did not decline as expected,</p> <p>Alternatives:</p> <ol style="list-style-type: none"> Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A) Assertion (A) is true but Reason (R) is false Assertion (A) is false but Reason (R) is true <p>OR</p> <p>Both assertion and reason are true and reason is not the correct explanation of assertion</p>	1

21	<p>Read the following statements-Assertion (A) and Reason (R). Choose the correct alternatives given below:</p> <p>Assertion (A) : Every year government fixes a target for disinvestment of Public Sector Enterprises (PSEs)</p> <p>Reason (R) : Disinvestment is an excellent tool for discarding the loss incurring Public Sector Enterprises (PSEs)</p> <p>Alternatives:</p> <p>a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</p> <p>b. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A)</p> <p>c. Assertion (A) is true but Reason (R) is false</p>	1										
22	<p>From the set of events/systems given in column I and corresponding relevant fact given in column II, about China, choose the correct pair of statement:</p> <table border="1" data-bbox="256 726 1295 1129"> <thead> <tr> <th data-bbox="256 726 776 762">Column A</th> <th data-bbox="784 726 1295 762">Column B</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 762 776 835">(a) Great leap forward</td> <td data-bbox="784 762 1295 835">i. Cultivating land collectively</td> </tr> <tr> <td data-bbox="256 835 776 947">(b) Commune system</td> <td data-bbox="784 835 1295 947">ii. Opening of the industries in their homes</td> </tr> <tr> <td data-bbox="256 947 776 1058">(c) Proletarian Cultural Revolution</td> <td data-bbox="784 947 1295 1058">iii. Students were sent to work and learn from the countryside</td> </tr> <tr> <td data-bbox="256 1058 776 1129">(d) Economic reforms in China</td> <td data-bbox="784 1058 1295 1129">iv. 1988</td> </tr> </tbody> </table> <p>a. (a) – (i) b. (b) – (ii) c. (c) – (iii) d. (d) – (iv)</p>	Column A	Column B	(a) Great leap forward	i. Cultivating land collectively	(b) Commune system	ii. Opening of the industries in their homes	(c) Proletarian Cultural Revolution	iii. Students were sent to work and learn from the countryside	(d) Economic reforms in China	iv. 1988	1
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23	<p>Great Proletarian Cultural Revolution was introduced under the leadership of -----</p> <p>a. Mao Zedong b. J L Nehru OR China</p> <p>c. M K Gandhi d. M A Jinnah</p>	1										
24	<p>Uncertainty of income for farmers in India is majorly caused by-----</p> <p>a. Irregular rainfall b. Unavailability of labour</p> <p>c. Unavailability of loans d. Unavailability of land</p>	1										
25	<p>Some economist argue that debt waiver schemes are extremely beneficial to the poor and marginalized farmers, as these schemes reduce the burden of -----</p> <p>a. Indebtedness farmers b. Personal expenditure</p> <p>c. motivates the d. increase the produce</p>	1										

30	<p>“Agricultural sector appears to be adversely affected by the economic reform process”. Explain the given statement</p> <p>Ans-Public investment in agriculture has reduced, reduction of fertilizer subsidy has increased the cost of production, increased international competitiveness due to liberalization and reduction of import duties, shift from food crops to cash crops due to export oriented policy in agriculture led to a rise in prices of food grains.</p>	4												
31	<p>“Atmanirbhar Bharat” had been at the roots of the Indian planning process in the form of ‘self-reliance’ as an objective of the planning Process.</p> <p>Do you agree with the given statement? Justify the rationale of the given statement</p> <p style="text-align: center;">OR</p> <p>Discuss briefly any two major steps taken by the Government of India on ‘Financial Sector’ front under the Economic Reforms of 1991</p> <p>Ans-In the post independence period the aim of government Was to reduce the dependence on the foreign countries for goods, services, technology and capital, stressed on domestic resources, feared that it may increase foreign interference in the policies of our country</p> <p style="text-align: center;">OR</p> <p>Change in the role of RBI, it was reduced from regulator to facilitator , financial sector was given greater autonomy on many matters independent of RBI</p>	4 4												
32	<p>Compare and analyse the given data of India and China with valid arguments.</p> <p>Annual Growth of Gross Domestic Product (%), 1980-2017</p> <table border="1" data-bbox="256 1381 1295 1535"> <thead> <tr> <th>Country</th> <th>1980-90</th> <th>2015-2017</th> </tr> </thead> <tbody> <tr> <td>India</td> <td>5.7</td> <td>7.3</td> </tr> <tr> <td>China</td> <td>10.3</td> <td>6.8</td> </tr> <tr> <td>Pakistan</td> <td>188</td> <td>2.1</td> </tr> </tbody> </table> <p>Source : Key indicators for Asia and Pacific 2016, Asian Development Bank, Philippines, World Development Indicators 2018.</p>	Country	1980-90	2015-2017	India	5.7	7.3	China	10.3	6.8	Pakistan	188	2.1	4
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33	<p>(i) "If the rate of resource extraction exceeds the rate of generation it leads to reduction in carrying capacity of the environment" Discuss the rationale of the given statement with valid reasons.</p> <p>(ii) How has population explosion and the advent of industrial revolution resulted in environmental crisis? OR</p> <p>(i) Why are less women found in regular salaried employment?</p> <p>(ii) Analyse the recent trends in sectoral distribution of workforce in India Trends in Employment Pattern (Sector-wise) 1993-2012 (in %)</p> <table border="1" data-bbox="256 562 1295 716"> <thead> <tr> <th>Sector</th> <th>1993-94</th> <th>1999-2000</th> <th>2011-2012</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>64</td> <td>60.4</td> <td>24.3</td> </tr> <tr> <td>Secondary</td> <td>16</td> <td>15.8</td> <td>24.3</td> </tr> <tr> <td>Services</td> <td>20</td> <td>23.8</td> <td>26.8</td> </tr> </tbody> </table> <p>Ans- i. Too much resources are extracted, beyond the rate of regeneration, leading to disequilibrium and economic crisis. To maintain healthy environment carrying capacity of the environment must be valued</p> <p>ii. With population explosion the growing needs of the expanding population is beyond the rate of regeneration. There has been increasing demand with limited supply hence the issue of waste generation has been critical today</p> <p>OR</p> <p>i. Regular salaried jobs require high level of literacy and skill which is lacking in women.</p>	Sector	1993-94	1999-2000	2011-2012	Primary	64	60.4	24.3	Secondary	16	15.8	24.3	Services	20	23.8	26.8	3 3 2 4
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34	<p>a. The above scheme is talking about the PM KISAN scheme of the government The main aim of the scheme is to provide financial support to the farmers and help them to procure all the needed material to harvest healthy crop</p> <p>b. Growth of primary economy depends upon infusion of capital from time to time. As the gestation gap between sowing and harvesting is long farmers borrow money from other informal sources for agricultural and other personal expenses.</p>																	